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TENNESSEE OFFICIALS GAIN TRO FROM VIRGINIA COMMISSION

May 1, 2003 - The Virginia State Corporation Commission has granted the request of Tennessee insurance officials to protect the insureds of three Tennessee-chartered reciprocal companies by halting the depletion of assets of Richmond-based Reciprocal of America.

The April 30 action by the SCC came on the same day that Virginia Insurance Commissioner Al Gross declared ROA and its attorney-in-fact, TRG, insolvent and asked the SCC to put the firms into liquidation. ROA is the primary re-insurer of the Tennessee-chartered reciprocals (American National Lawyers Insurance Reciprocal, The Reciprocal Alliance, and Doctors Insurance Reciprocal), and TRG managed the operations of all the firms.

Deputy Receivers for each of the reciprocals petitioned the SCC last month for a restraining order that would keep ROA's assets intact while the SCC considers the reciprocals' appeal for unfettered access to the companies' records and employees, now controlled by Virginia officials. Without that access, Tennessee officials cannot adequately protect the interests of the Reciprocals' insureds.

Tennessee Insurance Commissioner Paula A. Flowers said she is hopeful of further action by the SCC to protect the thousands of doctors, lawyers and medical facilities insured by the Tennessee-chartered reciprocals, whose managers had ceded the companies' risk and premiums to ROA.

"We are relieved that the Virginia State Corporation Commission stopped the Virginia Receiver of ROA from paying out funds that might be available for the reciprocals' insureds and creditors," said Flowers.

"We are hopeful that the SCC will order the Virginia Receiver to let us examine the records of ANLIR, DIR and TRA and to interview the employees of The Reciprocal Group who operated all three companies," she said.

"Of the more than 2,000 boxes of records that the Virginia Receiver has sent to Nashville, hardly any contain the types of financial information necessary for us

to fully assess the companies' conditions," said Flowers. "We are studying the impact of the Virginia Receiver's request to the SCC that ROA and TRG be liquidated. We anticipate that we will file a response to that request with the SCC very soon."

"We share in the frustration of the thousands of insureds, claimants, attorneys, and judges effected by the uncertainties surrounding these companies."

Additional information regarding this ongoing controversy may be found on the TDCI website: <http://www.state.tn.us/commerce/insurance>